

BRAND MANAGEMENT IN MEDIA CRISIS

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Abstract

Due to the turbulent and chaotic economic climate over the entire advertising industry, the TV stations, and particularly those in Romania, face a critical challenge in terms of dealing with an unprecedented crisis within this market. Since the last quarter of 2008, the Romanian advertising market is going through a serious phase of contraction and reconfiguration.

One of the causes is the strong connection with the other similar markets within the Central and Eastern Europe, as well as with those from the West, which face the same decline. Several important publications were closed during 2009 and the beginning of 2010, together with higher unemployment in the media sector and major changes of the biggest media groups strategies. This paper aims to portrait the perspective of the TV Brand Managers in the center of a challenging environment, both in the organizations and in the overall market.

Key-words: brand manager, marketing, advertising market, media, crisis

JEL Classification: M31, M37

Introduction

Since the second half of 2008, crisis is the main topic of debate in every office of either advertising agencies or TV stations in every corner of the world. Companies from each and every domain proceeded to severe cuts of the amount of budgets invested in communication. Anywhere in the world, the first budget that suffered was the communication one. Less money invested in communication led to an overall decrease of the entire advertising and media market. 2009 marked the deepest phase of the market decline, with pretty different strength from one country to another, due to the evolution of the entire economy within those countries, but also as an effect of the degree of development of every specific advertising market.

Within the European and global context, Romania was among the countries average affected by the crisis. One of the reasons is that local market grew in a spectacular manner within the last 15 years¹. Another one is the very powerful link with the European marketing and communication market which led to the fact that every symptom of the crisis that the global advertising market is facing is present

¹ Laura James, *Adspend prospects in Europe, the US and Japan: European Advertising & Media Forecast*, World Advertising Research Center, January 2009.

in the last one year and a half in our country: consistent restructuring and fundamental changes of marketing strategies for most of the players on the market, but also even more negative effects such as the disappearance of several newspapers, magazines or radio stations and completely new rankings in terms of top advertisers.

Even though a global market experiences a slight recovery, in Romania this is expected to happen with a delay of at least half a year. The ad spend continues to remain at the lowest level in the last 4 years and the main advertisers still base their reactions exclusively at the cost levels (the media rate cards).

Taking into account this environment, this article aims to display the perspective of one of the most important positions within the most important organizations of the marketing and communication market: the TV stations brand managers. As key persons in their media companies, the role they play in this critical landscape reflects this market evolution in the most accurate way and the struggle to find the adequate strategy to get through the crisis with less harm in terms of power of the brand portfolio.

Literature review

Many authors took in discussion the Brand Management in Media subject. Tilde Heding; Charlotte F. Knudtzen; Mogens Bjerre published in 2008 the theory and research of this function compiling models and theories. Alan B. Albarran, Sylvia M. Chan-Olmsted also have an important contribution for the subject, inputs being synthesized in “Handbook of Media Management and Economics”, published in 2006. After an in-depth view of the subject, the conclusion is related to the absolute degree of novelty of the subject. Strong brands are necessary in media because technology has increased the number of content providers and made it possible for many more competitors to seek the attention and loyalty of audiences and advertisers. Brands are crucial in separating media companies and their products from those of competitors, in creating continuity of quality and service across extended product lines, and in helping develop strong bonds with consumers. In his workpaper, Siegert, G. (2008) discusses communicative tactics and the building of media brand equity, focuses on strategic aspects and brands as vehicles for business expansion, and investigates issues of media brands on advertising markets. The paper contributes to the wider understanding of brand-related issues facing both practitioners and academics. Brand management has become an important managerial task and researchers are challenged to uncover the implications of this for media firms, consumers, and society at large.

1. The Romanian “Full-Format” TV stations during the crisis

The first quarter of 2009 meant in Romania the implementation of a severe reconfiguration in the distribution of the media and advertising budgets². In the first phase, written publications seemed to be mainly affected by this reconfiguration of budgets. The lack of orders for print ads and advertising inserts

² Alfa Cont Media Watch, February 2009.

generates in drastic need to reduce costs, job cuts and even the disappearance of many newspapers and magazines. Major media holdings as Intact, ProTV SA or Realitatea-Catavencu reduced their activity with 50% in some operations within affected domains. This led ultimately to massive restructuring in terms of personnel, as well³.

Some media holdings chose to operate a temporary migration of several publications affected by the reconfiguration of the advertising budgets from the classical outfit (printed one), becoming exclusively present on-line. It is the example of the Go4IT and Descopera magazines from the Publimedia Group portfolio. In those cases, the companies strategically chose to migrate the operations from areas severely damaged by the effect of the crisis toward save areas, having some growing potential as well.

Price cuts and decreased sales caused significant fall in terms of revenues in 2009. The financial results for the first half of 2009 announced by Central Media Enterprise (CME), the American group that holds 95% of the Romanian ProTV SA, as well as 22 TV stations from other 7 countries (Czech Republic, Slovakia, Ukraine, Slovenia, Croatia, Bulgaria and Montenegro) show that during the crisis, the profit margin (consolidated EBITDA with both corporate and non-broadcast operations) decreased from 35% to 14%. Iulian Comănescu, media market analyst suggests that “overall, CME doesn’t look bad at all, and this is a survival lesson on the Romanian media, during times of crisis. “After so many pessimistic news, I have the feeling that we have reached the point where bad surprises are few and we might see soon the recovery”.

The financial results for Romania of the company managed by Adrian Sârbu, as CEO are:

- Revenue fell from 137,8 million USD to 84,5 million USD.
- EBITDA has decreased from 61,7 million USD to 22,6 million USD.

Regarding the entire company, the revenue on the first 6 months of 2009 was of 327,4 million USD (38,9% less than of the previous year)⁴. The company went from an operational profit of 217 million USD to a loss of 72,8 million. During his press conference announcing those results, Adrian Sârbu said that the entire advertising market contracted seriously, reaching the 2007’s level and that the entire market waits for a strong recovery. An interesting factor within CME result is the percentage of the Romanian operations among the whole company. In the first half of 2009 it reaches 25,8%, compared to an 26,1% during the same period of time in 2008. In Bulgaria only, CME spent 1,47 millions in the first 6 months of 2009.

The profit in Romania remains a significant one and this shows that early personnel cuts made by ProTV SA were made in the best moment. “The ProTV guys were the first who fired people”, remembers Iulian Comănescu, “mainly in the local stations. At that particular time, the news was an “apocalyptical” one, because Adrian Sârbu was the first important manager doing this. But, as far as I see through the figures, the operation went well and the patient is safe and sound”.

³ <http://comanescu.hotnews.ro>, last accessed, March, 18.

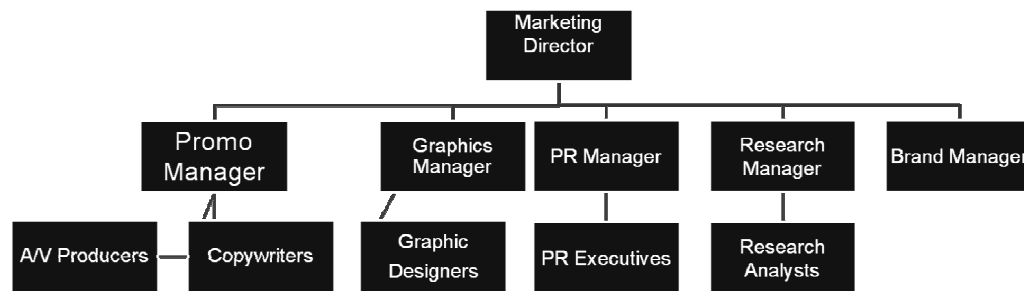
⁴ Central Media Enterprise (CME) financial report, 2009.

2. The brand manager's importance in a Romanian TV station

Taking into account that a TV station deals with an important portfolio of brands (programs, TV shows, stars, etc.), in a sharp competition with similar organizations, the need to ensure a proper brand management of it has become a challenge within the last decade. The Brand Managers appeared as a result of needs such as having a continuous focus over the brand power's status, having a permanent coordination of the multiple and simultaneous campaigns and having a coordination of many different departments within the marketing structure of a TV channel. This position is pretty similar with that of an Account Manager in the advertising agencies.

Romania is one of the countries with the most powerful media sector in the Eastern and European countries. A record number of 31 national TV stations are listed in the Gfk's daily audience analysis, 3 times more than in the Czech Republic, 5 times more than in Slovakia, Croatia, Slovenia or Bulgaria⁵. The competition among the so called "full-format" TV stations sharpened in such manner in which the process of audience fragmentation was accelerated in the last years⁶. With "spoiled" viewers having a wide range of TV programs to chose from, the focus on the brand portfolio's power is a critical success factor. The first station to implement that specific Brand Manager position was ProTV in 2003, followed by Antena 1 in 2004. Since 2007, all the "full-format" TV stations and the majority of the national niche channels have their own Brand Managers.

Their main purpose is to play a "pivot" role between the main sub-departments of the Marketing structure, in order to help the Marketing Director to cope with the challenges coming from every sector while initiating, developing, coordinating or evaluating a campaign.



Source: Personal representation

Fig. 1. Marketing department organigram in TV stations

3. The main tasks of the brand manager

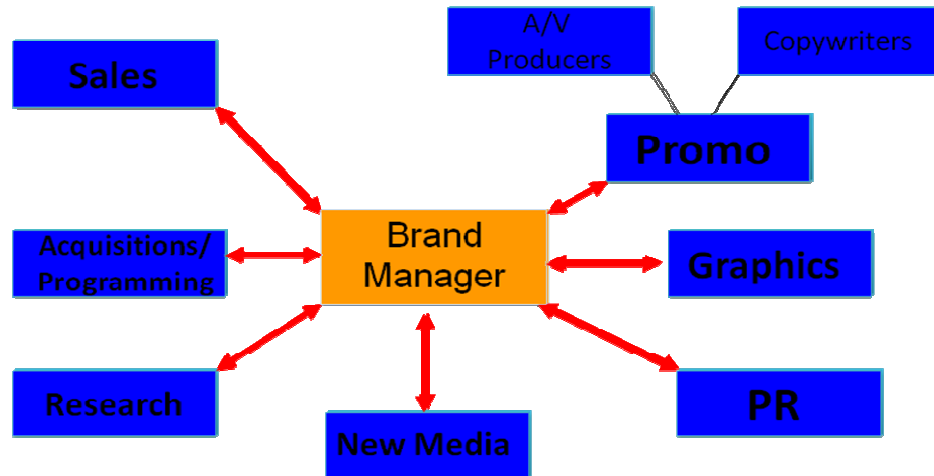
While taking into account the role of the Brand Manager in the tasks flow, mainly in big TV stations (e.g.: ProTV and Antena 1) he interacts at all levels with various departments both under the Marketing umbrella and from the other functional departments of the particular TV station.

The Brand Manager has to define and supervise the implementation of the marketing strategy for the assigned brand in order to increase its power (awareness,

⁵ Gfk TV Data Research analysis, 2008 and 2009.

⁶ TNS/AGB Data Research analysis, 2007.

favorability and loyalty) among viewers and stakeholders. In terms of hierarchical relations, a Brand Manager is subordinated to the Marketing Director and to the General Director (the CEO of the TV station). In case a big channel portfolio is in place, like Antena 1, 2, 3, Euforia (for the Intact Group), or ProTV, Acasa, ProCinema, Sport.ro, ProTV International and MTV (for the ProTV SA group), each station has a Brand Manager directly subordinated to the Marketing Manager, or (in the ProTV's case), there is a Senior Brand Manager who coordinates the entire Brand Managers team in place.



Source: Personal representation

Fig. 2. The role of brand manager in TV stations

In terms of responsibilities and attributions⁷, the Brand Manager is in charge of ensuring its brand profitability by implementing and developing the marketing strategy for the allocated brands. There are 3 layers in which he primarily operates:

- Budget layer. The Brand Manager develops and administers the marketing budget for allocated brands. He is in charge of the marketing budget and asks for the Marketing Manager's approval regarding all the budget matters.
- Organizational layer. It includes all the activities in which the Brand Manager is responsible for quality control, including reviewing, measuring and evaluating staff performance, output and project process. It also deals with tasks, as being in charge of researching for the necessary resources (human and specific know-how) to increase output value of the team. Extra activities within this task are the following:
 - Setting expectations and standards (build a culture) for team attitude, behavior, teamwork and professional development. Lead accordingly.
 - Proposing regular working meetings.

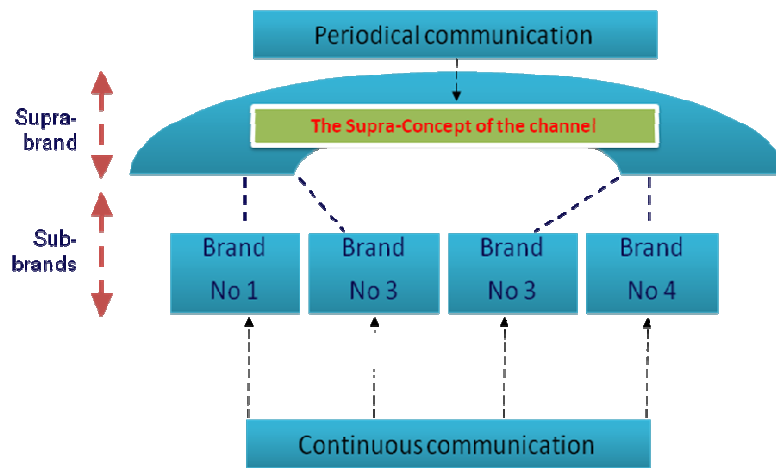
⁷ The Brand Manager Job Description (Marketing Department, ProTV SA).

- Organizing team work flow.

- Marketing planning. It is also the Brand Manager the one who is responsible for supervising the brands plan-marketing, implementation and evaluation of marketing actions. An important aspect from the marketing planning perspective is the one that involves proposing the innovations aiming to expand the brands notoriety on the market, in accordance with the marketing strategy and channel strategy. Together with the Research Department, that provides market analysis information pertaining to brands' performance, competitors, trends and activities, the Brand Manager evaluates the performance of the brands, working closely with Sales and Research teams. He also increases the performance of the brands, working closely with Graphics, Promo, PR departments.

In order to always have an accurate perspective over the environment in which his brand portfolio operates, the Brand Manager must keep up to date with market trends and new developments, using information for brand strategy improvement

4. Brand portfolio and its communication



Source: Personal representation

Fig. 3. Brand portofolio structure

The entire brand portfolio is structured in 2 groups:

- Supra-brand. It is about the communication layer in which you strengthen the brand power of the channel itself. Powerful on-air self-promos and graphic IDs are main vehicles which communicate the supra-brand values. Ex.: the “Gandeste Liber” of “You are ProTV!” promos for ProTV, “Mereu Impreuna” for Antena 1 and “We love to Entertain You” by PrimaTV. They all have in common an emotional addressability and carry the channels' values and the station's slogan as well.

– Sub-brands. They define types of programs, categories in which every TV station groups it offer and market to the viewers accordingly:

○ Ex.: Entertainment on Antena 1, consisting of: “Neatza cu Razvan si Dani”, “Te Pui cu Blondele?”⁸, “Un Show Pacatos”, etc. The channel communicates separately this category (sub-brand) under the slogan of “Numarul 1 in Divertismentul de Televiziune”⁹ (“Number one in TV Entertainment”), through vehicles such as: on-air promos, graphic package, billboard, and print ads within written press. Another strong example is the “Pro Movie” (“Filmul Pro”) on ProTV. Every month, the on-air promo space on ProTV is full of promo works which present the entire blockbusters offer of that specific month, under the umbrella of the “Pro Movie”.

The Brand Manager is in charge with tracking the value of this portfolio and to continuously impose work (both creative and implementation) on these layers, in order to keep the viewers aware of these brands and the values and content within.

The approach of the brand portfolio is a part of the planning of marketing program for the station, for which the Brand Manager (coordinated by the Marketing Manager are responsible. The content of the marketing program is drawn as follows:

- The planning process consists of 2 phases:
 - monthly planning;
 - weekly planning;
 - monthly planning.
- The goals are the following:
 - Setting the priorities in terms of communication for the following month (E.g.: the movie of the month/campaigns/strengths of communication).
 - Maintaining the unity/coherence of communication within the entire marketing mix.
 - Short terms (ex.: weekly) planning.

Conclusions

Taking into account the TV stations’ pressure from an unpredictable environment marked by turbulence over the entire media and advertising sector, essential for the players on this market is to adapt the brand communication and internal structure in such a manner in which the crisis challenges to be easily overcome. Due to the crisis, TV stations tend to focus exclusively on increasing the sales income and to neglect the necessity of brand communication. That’s an opportunity for the channels that are able to use this in order to strengthen the value of the brand which will ultimately led (after the crisis will disappear) to better capitalization of it in financial terms as well.

Positions within the Marketing structures of the TV stations such as that of the Brand Manager play a key role in ensuring a fluent, coherent and efficient

⁸ <http://www.antena1.ro>, last accessed March, 18

⁹ <http://www.primatv.ro>, last accessed March, 18.

implementation of the Marketing strategy. It's about consolidating the brand portfolio's value through troubled times and in a complex manner, involving many types of individuals from different departments, with fewer resources and while usually the focus of the company's strategy is exclusively on increasing sales.

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